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Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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September 8, 2009

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

SACRAMENTO UPDATE

This memorandum provides information on a proposal to provide exemptions from the California Environmental Quality Act for a new football stadium in the City of Industry, an update regarding health coverage for children under the Healthy Families Program, and the status of 11 County-advocacy bills.

Football Stadium in the City of Industry Proposal

According to various news accounts, Assembly sources confirmed today that a proposal to fast-track a new football stadium in the City of Industry will soon be in print, and will be heard in the Assembly on Wednesday, September 8, 2009. The proposed measure is scheduled to be heard in an ad-hoc meeting of the Assembly Arts and Entertainment Committee, and then fast-tracked to the Assembly Floor. As of this afternoon, there is no bill number and no official author has been named.

The proposed measure would change existing law to provide exemptions from the California Environmental Quality Act (CEQA) for a new stadium, housing and retail development plan in the City of Industry. Consistent with today's Board-approved action, **the Sacramento advocates will oppose any legislation that would grant the proposed new football stadium and entertainment complex in the City of Industry an exemption from CEQA requirements.**

"To Enrich Lives Through Effective And Caring Service"

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Healthy Families Program

As a result of the \$174.0 million reduction to the Healthy Families Program (HFP) when the FY 2009-10 Revised State Budget was enacted in July, the State's Managed Risk Medical Insurance Board, which administers the HFP, voted to begin terminating health insurance for more than 60,000 children effective October 1, 2009 with an estimated 670,000 children scheduled to lose HFP coverage by June 30, 2010. However, on August 25, 2009, AB 1422 (Bass) was amended to provide a mechanism to restore the reduction to HFP and prevent the loss of benefits for these children statewide by providing \$81.4 million in funding from First Five California and imposing a 2.35 percent tax on gross premiums on Medi-Cal managed care providers. The proposed tax would be used to draw down \$97.0 million in Federal Medicaid funding at the enhanced rate of 61.59 percent allowed under the American Recovery and Reinvestment Act of 2009. The bill would also increase premiums paid by families enrolled in the program.

AB 1422 passed the Assembly by a vote of 62 to 5 on September 3, 2009, and now proceeds to the Governor who has stated that he intends to sign this measure.

Status of County-Advocacy Legislation

County-supported AB 91 (Feuer), as amended August 17, 2009, would establish a pilot program in four counties, including Los Angeles, to require the installation of an Ignition Interlock Device on vehicles driven by persons convicted of driving under the influence, passed the Senate Floor by a vote of 30 to 4 on September 3, 2009, and now proceeds to the Assembly for concurrence.

County-supported AB 215 (Feuer), as amended September 2, 2009, would require a skilled-nursing facility to post the overall facility rating information determined by the Federal Centers of Medicare and Medicaid Services, including the number of stars assigned to a facility, passed the Senate Floor by a vote of 29 to 9 on September 4, 2009, and now proceeds to the Assembly for concurrence.

County-supported AB 221 (Portantino), as amended August 17, 2009, would exempt an HIV counselor, who meets specified criteria, from the requirement that he or she holds a valid phlebotomist technician certificate in order to perform an HIV test, passed the Senate Floor by a vote of 34 to 3 on September 3, 2009, and now proceeds to the Assembly for concurrence.

County-supported AB 286 (Salas and Jones), as amended June 23, 2009, would extend the sunset date on the vehicle registration surcharge which funds a program to deter, investigate, and prosecute vehicle theft to January 1, 2018, passed the Senate Floor by a vote of 23 to 13 on September 3, 2009, and now proceeds to the Assembly for concurrence.

County-supported AB 521 (De La Torre), as amended on June 8, 2009, would authorize a public utility that owns real property acquired to obtain a utility right-of-way, to lease that property to a governmental entity for purposes of a public park, if the public utility would retain the use of the right-of-way easement for public utility purposes, passed the Senate Floor by a vote of 27 to 5 on September 1, 2009, passed the Assembly by a vote of 62 to 13 on September 3, 2009, and now proceeds to the Governor.

County-supported AB 719 (Lowenthal), as amended on August 19, 2009, would require the California Department of Social Services to propose a Transitional Food Stamps for Foster Youth demonstration project, passed the Senate Floor by a vote of 22 to 12 on September 2, 2009, and now proceeds to the Assembly for concurrence.

County-supported AB 1329 (Brownley), which would have prohibited a retail establishment or retailer, on or after January 1, 2014, from selling, distributing, or importing a single-use recyclable packaging container that is comprised predominantly of Polyvinyl Chloride plastic resin, was amended on September 4, 2009. The amendments delete the prior version of the bill and instead extend the effective date of SB 63 (Strickland), Chapter 21 of the Statutes of 2009, which will abolish the California Integrated Waste Management Board and transfer its duties to the newly created Department of Resources Recycling and Recovery in the Natural Resources Agency, from January 1, 2010 to January 1, 2011. **Therefore, the Sacramento advocates will remove support for AB 1329 and take no position.**

County-supported SB 23 (Padilla), as amended July 9, 2009, would require operators of mobile home parks or manufactured home communities to develop and implement an emergency preparedness plan on or before September 1, 2010, passed the Senate Floor by a vote of 32 to 0 on September 4, 2009, and now proceeds to the Governor.

County-supported SB 113 (Senate Local Government Committee), as amended on June 25, 2009, is an omnibus bill that contains three provisions supported by the County to: 1) authorize a county board of supervisors to form a school facilities improvement district in an individual school district; 2) revise the Public Contract Code to align the requirements for County Waterworks Districts to contract for non-construction related work with the contracting requirements for County government to perform similar work; and 3) revise the Water Code, to allow County Waterworks Districts to advance water reliability projects and water system facility construction. At the request of Senator Wiggins, SB 113 was returned by the Governor's Office to the Assembly Floor for further amendments on September 1, 2009. According to the Senate Local Government Committee, the pending amendments would address a provision sponsored by the University of California, which is unrelated to the provisions supported by the County.

County-supported SB 579 (Lowenthal), which would authorize the South Coast Air Quality Management District (SCAQMD) to issue permits to essential public services and previously exempt businesses, notwithstanding the court decision in *Natural Resources Defense Council v. SCAQMD*, until a final outcome has been reached in the case, including the exhaustion of all appeals, or until the district completes the environmental reviews required by the court decision, was amended on September 1, 2009.

The amendments: 1) clarify that nothing in the court case requires the setting aside of any permit issued by the SCAQMD to any essential public service between September 8, 2006 and November 3, 2008; 2) allow the SCAQMD to issue permits for previously exempt businesses, except for an electrical generation facility; 3) allow the district to issue permits for essential public services; and 4) clarify that nothing in the bill affects the decision in the court case concerning the adoption, re-adoption, amendment, or environmental review of rule 1315, which the Superior Court ruling violated the California Environmental Quality Act (CEQA).

The amendments also delete the prior language which made the bill operative only until a final outcome has been reached in the court case or until the district completes the environmental reviews required by the court, and require the SCAQMD to rely on the emission reduction credit tracking system used prior to the adoption of rule 1315, until a new tracking system is approved by the United States Environmental Protection Agency and is in effect. The bill still has an urgency clause and sunsets on May 1, 2012.

SB 579 passed the Senate Floor by a vote of 31 to 0 on September 2, 2009, and now proceeds to the Assembly for concurrence.

County-opposed unless amended SB 696 (Wright), which would have overturned the Superior Court decision in *Natural Resources Defense Council v. SCAQMD* which ruled that the SCAQMD violated CEQA when adopting rule 1315 and amending rule 1309.1, and would have exempted future SCAQMD rule changes from compliance with CEQA and authorized the SCAQMD to allow profit-making powerplants access to air emission credits previously reserved for government and exempt entities, was amended on September 1, 2009. The amendments delete the prior version of the bill and instead, includes the provisions contained in SB 579 (Lowenthal) described above. Since the objectionable provisions in the bill have been removed, **the Sacramento advocates will remove opposition to SB 696 unless amended and take no position on this measure.**

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SB 696 passed the Senate Floor by a vote of 31 to 2 on September 2, 2009, and now proceeds to the Assembly for concurrence.

We will continue to keep you advised.

WTF:RA
MR:IGEA:sb

c: All Department Heads
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Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
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